

# Co-operative alternatives to globalising capitalism

Faced with global competitiveness which increases the ranks of the poor, what are our options? **Vishwas Satgar** argues that co-operatives are a genuine alternative.

**W**e are living through a period in which the development paradigms (such as catch-up modernisation, Basic Needs, Structural Adjustment Programs and Keynesian demand management) for national economies defined in the 20th century are not likely to work.

Some national economies might be lucky through a form of state capitalism to secure integration into the world economy. But their dilemma will be the degree of dependent capitalist development forced on their populations. They may have to accept a semi-peripheral status in the global economy in exchange for large sections of their populations enduring extreme misery. Unfortunately, most economies are no longer dealing with national capitalisms competing with each other. They are dealing with the

expansion of capitalism to a global scale expressed through trans-national capital. We have a fundamentally altered capitalist reality, which most countries will not manage given their structural underdevelopment.

At the same time, neo-liberal ideology – liberalisation, privatisation and deregulation – imposed from the outside or self administered, have contributed to serious social and ecological devastation for most countries and for the whole globe. Most global development indicators, in particular United Nations Development Reports, point to a market defined by few insiders and many outsiders. Global poverty, inequality, ecological destruction and degradation are worsening. Human insecurity is at its lowest ebb.

Competition has forced a re-organisation of national capital whose primary function now is managing the link with global markets and trans-national capital and protecting private property relations. More and more the nation state has become an extension of the market rather than an instrument of democratic politics. This relationship is only disrupted by mass pressure and struggle from below.

In this context, should we dare talk about alternatives to capitalist globalisation? Should we think beyond the common sense acceptance of capitalism as eternal

and indestructible? Can co-operatives be part of an alternative to globalising capitalism? These questions were the subject of debate at an international conference hosted in South Africa from 8-10 June this year.

Participants from Brazil, Ireland, Jordan, Belgium, Germany, Mauritius, India, China and South Africa drew on national and global experiences to answer these questions.

All participants recognised that neo-liberalism was mounting a global offensive against co-operatives as a social form based on human solidarity which has existed for two centuries in economic development all over the world. It was agreed that co-operatives globally and in the South African context need to be treated as distinct social institutions, defined by their own international standards. More specifically, it was argued, that in South Africa co-operatives need to be supported in the policy environment not as SMEs and as part of Black Economic Empowerment. They should be treated as part of an autonomous and independent movement that should constitute a third sector in the South African economy – a co-operative sector.

The conference recognised that a fight against global neo-liberal attacks was taking place. This was emerging in the context of failed neo-liberal policies, for example, in Latin America with the emergence

of centre-left governments in Brazil, Bolivia, Chile and Venezuela. Many of these countries have affirmed the centrality of co-operatives as part of the search for alternative development models. Through the World Social Forum process the case for co-operatives as part of an alternative development paradigm has been made and is informing discourses around 'solidarity economies', 'social economies' and 'localised economies'.

In specific countries delegates emphasised the pivotal role of co-operatives as part of recognising the limits of global neo-liberalism. In Brazil the role of co-operatives within land reform struggles, led by the Landless Workers Movement (MST), has continued for almost 25 years and the movement has grown in strength. The MST has through land reform campaigns and co-operative development impacted on the lives of four million families. In Italy, according to Bruno Roelants, general secretary of the world sectoral body for worker co-operatives (CICOPA), if the co-operative movement is destroyed the Italian economy will collapse. In China it was pointed out that co-operatives and village enterprises are the backbone of agriculture and food production. These collective enterprises feed the population of one of the most powerful economies in the world and over the past 20 years have increased their efficiency and productivity through specialised co-operative support institutions. China will go hungry if agricultural co-operatives and village enterprises are destroyed.

A third important theme of the conference was the need to develop co-operatives in a way that ensures sustainable employment creation. This focused the debate

on the role of the state and the co-operative movement. Many participants believed the state has played a destructive role in co-operative development either by making them extensions of the state or dependent on the state. This has been the lesson of many development experiences in the 20th century. At the same time it was felt that the neo-liberal approach which emphasises the withdrawal of the state by suggesting that the poor are responsible for their own poverty was also skewed. The conference agreed that the state has a role to play in supporting the development of co-operatives but this must be on the co-operative movement's terms without compromising their autonomy. In this context the degree of state support for capitalisation, training and capacity building was hotly debated.

The delegates noted that in South Africa a progressive Co-operatives Act was finally passed in 2005 and was complimented by a Co-operatives Development Policy formulated by the Department of Trade and Industry. While this is a step in the right direction, the conference agreed that the government lacked capacity to establish an enabling environment. Government was also displaying a controlling attitude towards co-operatives which was not positive. The conference felt that the government should work with the co-operative movement and mass organisations to build co-operatives from the bottom up. However, for this to happen, it was stressed that the clumsy and ineffective strategy and structure of the co-operative movement needed to be addressed. Participants emphasised streamlining the co-operative

movement through a process of bottom up restructuring led by sectoral bodies and involving networking with support organisations and establishing local co-operative forums. Most importantly, the development of a worker co-operative sector, with the assistance of Cosatu and other trade unions, was highlighted as an immediate priority.

Participants underlined the need for an ethical practice and approach to co-operative development. This recognised that the most advanced co-operative movements in the world have been built from below through painstaking activism and solidarity building. Patience rather than populism was emphasised. Countries embarking on co-operative development need to recognise that they will make mistakes and that co-operative movements are built over time through the commitment and sharing of learning over generations. In South Africa we have a dualistic tradition of co-operatives – white farming co-operatives that have led structural change, defensive trade union linked co-operatives and stokvels and burial societies that have played an ameliorative function. Can we build on this so that our post-apartheid economy does not just permit market competition but also human solidarity based co-operation?

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